



2011

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: Hennes and Mauritz, AB

COUNTRY: Turkey

FACTORY CODE: 4400765652J

MONITOR: Aydin Oruc

AUDIT DATE: November 22, 2011

PRODUCTS: Underwear

PROCESSES: Cutting, Sewing, Ironing,
Packing

NUMBER OF WORKERS: 102



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Wages, Benefits and Overtime Compensation: Holidays, Leave, Legal Benefits and Bonuses

WBOT.5 Employers shall provide all legally mandated holidays, leave, benefits and bonuses, such as official holidays, annual leave, sick leave, severance payments and 13th month payments, to all eligible workers within legally defined time periods. In addition, all leave and bonuses shall be calculated correctly. (S)

Noncompliance

Explanation: The workers' missing days are deducted from the annual leaves.

Legal References: Turkish Labor Law 4857, Article 53 and Article 56

Plan Of Action: H&M requires that the workers' basic right of leave is respected and the factory should provide legal paid leave to workers respectively.

Deadline Date: 12/01/2011

Supplier CAP: Absent days are deducted from workers' annual leaves due to workers' request. We were applying this routine by workers' verbal request until now, but from now on, this has been changed as we are getting a signed petition from them.

Supplier CAP Date: 12/01/2011

Action Taken: During our last visit on March 14, 2012, we observed that workers' missing days are still deducted from their annual leaves if the worker has a written request for this practice.

Plan Complete: No

Plan Complete Date:

Wages, Benefits and Overtime Compensation: Overtime Compensation Awareness

WBOT.11 Workers shall be informed, orally and in writing, about overtime compensation rates prior to undertaking overtime. (P)

Noncompliance

Explanation: The factory implements the Compensatory Work clause of the Labor Law (Article 64). Workers' missing hours are deducted from workers' overtime hours within the following 2 months. However, worker interviews revealed that workers were not aware of the system.

Plan Of Action: H&M requires factories to inform all workers about wage calculation method, including overtime wage, deductions, etc. This way, workers can understand if they are correctly paid or not.

Deadline Date: 06/30/2013

Supplier CAP: The missing hours are deducted from workers' overtime hours. Regarding this issue, there is a detailed information document on our company board, which explains how to calculate wages and overtime hours. If there is still a misunderstanding regarding the calculation, we also mentioned in the document that they can always feel free to contact with our account department for any question. In addition, we will organize an informational meeting to make sure all workers understand this issue.

Supplier CAP Date: 06/30/2013

Action Taken: According to the information given by the factory on March 2013, a detailed training about compensatory work has been given to all workers on June 8, 2012. Factory informed us that this information is added to the orientation program, so all newly recruited workers are also informed about the system. We will check this issue during our coming visits.

Plan Complete: No

Plan Complete Date:

Child Labor: Employment of Young Workers

CL.6 Employers shall comply with all relevant laws that apply to young workers (i.e., those between the minimum working age and the age of 18) including regulations relating to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime. (P)

Noncompliance

Explanation: Written parental consent documents are missing for the young workers.

Legal Reference: Official Newspaper dated April 6, 2004 regarding Turkish Labor Law 4857, Article 71; written permission from the parents of young workers shall be taken in order to employ young workers.

Plan Of Action: H&M requires the factories to follow the labor law concerning the working conditions of young workers. We will further encourage the factory to systematically implement the H&M Code of Conduct and labor law requirements about young workers.

Deadline Date: 12/01/2011

Supplier CAP: We got "consent approval" documents from young workers' families. We will continue to apply this procedure if we hire new young workers.

Supplier CAP Date: 12/01/2011

Action Taken: According to our follow-up audit on March 14, 2012, we confirmed that the above finding was corrected. The review of the young workers' personnel files revealed that the parental consent documents added in young workers' personnel files. Lastly hired young worker was hired in August 2012 and parental consent was taken for her too. At the moment, there are no young workers working at the factory.

Plan Complete: Yes

Plan Complete Date: 03/14/2012

Code Awareness:

GEN.2 Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.

Noncompliance

Explanation: The H&M Code of Conduct was neither provided to the factory, nor is it posted on the production floor.

Plan Of Action: We are requiring our suppliers to incorporate our code (which is aligned with FLA's), applicable laws, internal regulations, and our own internal policies, preferably written in worker handbooks. We require them to hold training and education on a regular basis for all employees (due to high staff turnover) and to be in new employees' orientation of the workplace.

**Deadline
Date:**

**Supplier
CAP:**

**Supplier
CAP Date:**

**Action
Taken:**

**Plan
Complete:** No

**Plan
Complete
Date:**

Health and Safety: Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Noncompliance

Explanation: Both of the emergency exit doors on the production floor opened inwards. Further, the emergency exit stairways did not have handrails.

Legal Reference: Turkish Occupational Health & Safety Regulation (7/7583) Article 113 of Turkish Labor Law 4857; the facility shall have all exit doors open outwards for emergency cases.

Plan Of Action: H&M requires that the factories follow the health and safety regulations in the local law and H&M's Code of Conduct, including having emergency exits that open outwards. Factory needs to establish a comprehensive health and safety control system; this system should guarantee that periodic checks are followed up on regularly.

Deadline Date: 01/01/2012

Supplier CAP: Both fire exit doors has been set towards outwards instead of inwards. We made the exit stairways more secure by adding a banister on sides. Also, we have put warning signs on doors.

Supplier CAP Date: 01/01/2012

Action Taken: According to our follow-up audit on March 14, 2012, we confirmed that above finding was corrected. All exits open outwards, and exit stairs are equipped with handrails.

Plan Complete: Yes

Plan Complete Date: 03/14/2012

Health and Safety: Safety Equipment and First Aid Training

H&S.10 All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be available in sufficient numbers throughout the factory, maintained and stocked as prescribed and easily accessible to workers. A sufficient number of workers shall be trained in first aid and fire fighting techniques. (S)

Noncompliance

Explanation: The last inspection for fire extinguishers was done in January 2011. Further, the periodic check for fire hoses was not done.

Legal Reference: Turkish Occupational Health & Safety Regulation (7/7583), Article 128 of Turkish Labor Law 4857; the fire extinguishers shall be checked once every 6 months and checking dates shall be written on cards and hung on them.

Plan Of Action: H&M requires that the factories follow the health and safety regulations in the local law and H&M's Code of Conduct. All the fire extinguishers should be unblocked at all times and should be checked regularly according to related regulation. Factory needs to establish a comprehensive health and safety control system; this system should guarantee that periodic checks are followed up on regularly.

Deadline Date: 01/06/2012

Supplier CAP: Previously we were checking and filling the fire extinguishers once a year. From now on, we have changed it and we will make checks that are done every 6 months and will refill them every year.

Supplier CAP Date: 01/06/2012

Action Taken: According to our follow-up audit on March 14, 2012, we confirmed that above finding was corrected. The review of fire extinguisher inspection reports revealed that the inspections were done every 6 months.

Plan Complete: Yes

Plan Complete Date: 03/14/2012

Health and Safety: Machinery Maintenance and Worker Training

H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

Noncompliance

Explanation: Workers were not using eye guards while working at overlock machines.

Legal Reference: Turkish Labor Health & Safety Regulation (7/7583) Article 2 of Turkish Labor Law 4857; it must be ensured that necessary precautions are taken and followed.

Plan Of Action: A safe and healthy working environment shall be a priority at all times. H&M requires the factory to ensure relevant production machinery is equipped with proper protective devices and that workers know when, how and why to use personal protection and related equipment.

Deadline Date: 02/01/2012

Supplier CAP: We have started to work with an "occupational safety specialist" since 1 year ago. He also warned workers regarding this issue by meetings and now eye protecters have been used by workers.

Supplier CAP Date: 02/01/2012

Action Taken: According to our follow-up audit on March 14, 2012, we confirmed that above finding was corrected. It was observed that the workers use eye guards while working on overlock machines.

Plan Complete: Yes

Plan Complete Date: 03/14/2012

Hours of Work: General Compliance Hours of Work

HOW.1 Employers shall comply with all local laws, regulations and procedures concerning hours of work, public holidays and leave. (S)

Noncompliance

Explanation: Combined (regular + overtime) daily working hours exceed 11 hours day on May 31 and on 2 days in August 2011. The workers worked until 22:00, which is equal to 12.5 hours net working hours.

Legal Reference: Turkish Labor Law 4857, Article 63; daily working hours (regular + overtime) shall not exceed 11 hours.

Plan Of Action: H&M requires that the overtime hours should not exceed the legal limit, and that overtime work is done always voluntarily and compensated according to the local law. All H&M suppliers are encouraged on possible measures for reducing overtime both through our Code of Conduct Supplier Guideline (guidance on how to implement the H&M Code of Conduct requirements) and via workshops held by compliance staff. We will make a root cause analysis with the supplier to find the reason for excessive overtime and support the supplier in possible measures to keep overtime within legal limits.

Deadline Date: 12/31/2013

Supplier CAP: After August 2011, we did not work over 11 hours in 1 day and for the future, we will make the production plan for accordingly for being in limits (11 hours) as much as possible.

Supplier CAP Date: 12/31/2013

Action Taken: According to our follow-up audit on March 14, 2012, we observed that the above finding is in progress. Factory has taken some actions to keep the daily working hours within limits. But, when we look at the peak season, we see that some workers have worked above 11 hours limit.

Plan Complete: No

Plan Complete Date:

Hours of Work: Protected Workers (Women and Young Workers)

HOW.4 The factory shall comply with all applicable laws governing work hours regulating or limiting the nature, frequency and volume of work performed by women or workers under the age of 18. (S)

Noncompliance

Explanation: Young workers are working 9 hours per day and 45 hours per week.

Legal Reference: Turkish Labor Law 4857, Article 71; young workers who have completed 15 years of lifetime shall work a maximum 8 hours per day, and 40 hours per week.

Plan Of Action: H&M requires the factory to follow the labor law concerning the working conditions of young workers. We will further encourage the factory to systematically implement the H&M Code of Conduct and labor law requirements to young workers.

Deadline Date:

Supplier CAP: At the moment, there are no young employees in our factory. But, we do not have a policy about not employing young workers in the future. For the future cases, we will improve this issue according to law and will not allow to work them over 8 hours per day and 40 hours per week. We are going to add an extra 1 hour to their break time to make the check-out time equal.

Supplier
CAP Date:

Action According to information given by the supplier in March 2013, there are no young
Taken: employees in the factory.

Plan No
Complete:

Plan
Complete
Date:
